

Congress of the United States
House of Representatives
Washington, DC 20515

December 13th, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear President Biden, Secretary Buttigieg, and Secretary Raimondo:

As Members of Congress representing constituents whose livelihoods have been greatly disrupted by the surge in supply chain and shipping issues caused by the COVID-19 pandemic, we acknowledge and appreciate the recent actions taken to reduce the significant congestion and delays within our port infrastructure. The effort to operate the Port of Los Angeles 24 hours a day seven days a week, the agreement by warehouse workers to add extra shifts, and the expansion of off-peak shipping by the nation's largest private-sector retail companies are all crucial steps to help relieve our supply chain bottlenecks that continue to affect Americans' daily lives.

Building off of these actions, we write to now urge the Administration to adopt a whole-of-government effort to fix the nation's broken supply chains, with a particular focus on: the chip shortage that is curtailing production across industries, from cars to electronics; the nationwide port backlog, including those affecting the Port of Los Angeles on the west coast and the Ports of New York/New Jersey and Savannah on the east coast; the labor shortages in the trucking and warehouse industries; and the significant price increases for raw materials, including steel and aluminum.

While the re-opening of our nation's economy and increased consumer spending have put us on track to recover strongly from the economic crisis caused by the COVID-19 pandemic, severe breakdowns in global and domestic supply chains now risk this progress and threaten to significantly slow-down economic growth and job creation. The chip shortage has caused major production cuts from U.S. automakers – auto sales were down 26% in September compared to

the same month last year¹ – leading to dramatic increases in used and new car prices. The cost of shipping a standard 40-foot container has more than quadrupled compared to last year,² increasing the costs facing businesses in all industries across the country. And raw materials prices have surged as global production cuts have impacted supply, with aluminum prices alone at 13-year highs.³

Small business owners in our districts constantly raise the significant impacts that supply chain disruptions are having on their ability to successfully re-open and hire new staff. Facing higher costs across the supply chain, including shipping costs that are often five or six times higher than normal for imported goods, they have been forced to both raise prices for consumers and reduce their own revenue. Our small businesses have already faced enormous challenges throughout this pandemic, and these supply chain disruptions will impede their recoveries if not resolved quickly.

Our economic recovery depends on resolving these supply chain bottlenecks. Therefore, we urge the Administration to immediately use all options available across agencies to deal with this crisis. We believe that this new effort should include the following additional steps to deal with each supply chain issue that we have discussed. First, the Administration should immediately work to boost domestic chip production and onshore much of the chip supply chain to prevent these problems from occurring in the future. Second, it should work with our ports, warehouse workers, and retail companies to adopt 24 hours a day, seven days a week operation at ports nationwide, including on both coasts where backlogs continue to delay shipments and raise costs. These operations should function in a manner that supports our workforce and provides proper workplace accommodations. Additionally, these efforts should work to ensure that bottlenecks are not simply shifted down the supply chain onto other industries and workforces, such as the warehouse industry. Third, it should take steps to ease the labor shortage in the trucking industry and warehouse workforce, including through relevant regulatory actions and worker training programs. Finally, it should move to boost domestic raw material production at plants nationwide and provide short-term tariff relief to importers of such raw materials.

We stand ready to work with the Administration on all of these efforts, and there are already a number of bipartisan pieces of legislation that address many of these problems. Additionally, we

¹ Chip Crisis Deals a Massive Blow to U.S. Q3 Auto Sales. Rimmi Singhi. Nasdaq.
<https://www.nasdaq.com/articles/chip-crisis-deals-a-massive-blow-to-u.s.-q3-auto-sales-2021-10-05>

² Container Shipping Prices Skyrocket as Rush to Move Goods Picks Up. Paul Page. The Wall Street Journal.
<https://www.wsj.com/articles/container-ship-prices-skyrocket-as-rush-to-move-goods-picks-up-11625482800>

³ Aluminum Hits 13-Year High as Supply Woes Build, Demand Booms. Mark Burton. Bloomberg.
<https://www.bloomberg.com/news/articles/2021-09-08/aluminum-hits-13-year-high-as-supply-woes-build-demand-booms>

would greatly appreciate input from the Administration regarding any plans already in place or being developed to address each of these supply disruptions.

Thank you for your attention regarding this critical issue that impacts millions of our constituents and our entire national economy. We look forward to engaging further with the Administration on this critical subject and helping to resolve these disruptions that have become a major impediment to our economic recovery.

Sincerely,



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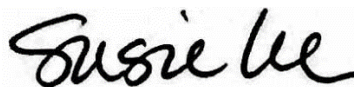
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